

# **FISCAL NOTE**

## **SB 940 - HB 1865**

April 11, 2001

**SUMMARY OF BILL:** Requires the Department of Health to establish the Tennessee Low-Cost Drug Program to provide low-cost prescription and nonprescription drugs, medication, and medical supplies to disadvantaged, elderly, and disabled individuals. An individual would be eligible for assistance if they meet the requirements of a federal prescription drug assistance program to states or meet the applicable income requirements and are at least 62 years or older. Persons 19 or older and classified as disabled are also eligible. The bill defines income guidelines for eligibility as 185% of the federal poverty guidelines. The Tennessee Low Cost Prescription Drug Fund would receive revenue from federal sources and any designated appropriations. The department is to report the enrollment and financial status of the program to the General Assembly each year. The department would have the authority to contract with a third party to administer all or part of the program.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - Exceeds \$75,000,000**

The amount of increase in state expenditures will depend on the number of participants, regulations established by the Department in regards to which drugs are covered by the program and the availability of any federal funds. The amount cannot be determined but is estimated to exceed \$75,000,000, which assumes a reasonable discount will be provided for plan participants. Estimate is based on an estimated enrollment population exceeding 300,000 and average prescription costs based on experienced in the TennCare program.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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